



**CITY OF HOMESTOWN, MISSOURI
YEAR ENDED DECEMBER 31, 2002**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2003-112
November 17, 2003
www.auditor.state.mo.us**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

November 2003

The following problems were discovered as a result of an audit conducted by our office of the City of Homestown, Missouri.

The City of Homestown has failed to implement 28 of the 40 recommendations made in our prior report that covered the year ended December 31, 1997. Although the city indicated in that report that most of the recommendations would be implemented, many recommendations are repeated in the current report. Failure to implement these recommendations and the city's inadequate financial records and procedures have resulted in the following:

- The city has underfunded the Sewer Replacement Fund by \$6,405 and the Sewer Fund had a negative \$2 balance at December 31, 2002. The monthly sewer rates charged appear inadequate to pay the costs of operation and maintenance of the sewer system. The city does not annually review the sewer rate to ensure sufficient revenues are generated to adequately maintain the sewer system as required by city ordinance.
- The city does not prepare or adopt annual budgets, does not publish semi-annual financial statements, and does not submit annual financial reports to the State Auditor's Office.
- A separate accounting of state motor vehicle-related monies or trash revenues and expenses is not maintained. The city may be overcharging its residents for trash services.
- Prenumbered receipt slips are not issued for some monies received, receipts are not deposited intact, nor on a timely basis, and receipt slips were not always properly voided and/or retained. The City Clerk does not adequately record all transactions in city accounting records or reconcile the accounting records to bank records and the Board has not established procedures to review her work and records.
- Vendor invoices or other supporting documentation were not retained for some expenditures, payments totaling \$1,425 made to the police officer appear to be taxable compensation but were not reported on his W-2 form, and documentation is inadequate to support the allocation of the City Clerk's wage expenses to city's funds.
- The Board has not held public hearings on the city's proposed property tax rates and the city could improve its procedures for the collection of delinquent property taxes.

(over)

YELLOW SHEET

- Improvement is needed in the organization of the city's ordinances. Many of the city's ordinances are old and outdated and some could not be accounted for or located. Board minutes are not signed by the City Clerk, the Mayor, or a member of the Board of Aldermen. Improvement is needed in the way closed meetings are held and documented. The city does not have a formal policy regarding public access to city records.

All reports are available on our website: www.auditor.state.mo.us

CITY OF HOMESTOWN, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
STATE AUDITOR'S REPORT	1-3
MANAGEMENT ADVISORY REPORT - STATE AUDITOR'S FINDINGS	4-15
<u>Number</u>	<u>Description</u>
1.	Sewer System Concerns.....5
2.	Budgets and Financial Reporting.....6
3.	Accounting Controls and Procedures8
4.	Property Tax Procedures.....12
5.	City Trash Service13
6.	Meeting Minutes and Ordinances13
HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION	16-19

STATE AUDITOR'S REPORT



CLAIRE C. McCASKILL
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Homestown, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the city of Homestown, Missouri. The scope of our audit of the city included, but was not necessarily limited to, the year ended December 31, 2002. The objectives of this audit were to:

1. Perform procedures to evaluate the petitioners' concerns.
2. Review compliance with certain legal provisions.
3. Review certain management practices.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed minutes of meetings, written policies, financial records, and other pertinent documents and interviewed various personnel of the city.

Our audit was limited to the specific matters described above and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in the audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the city of Homestown, Missouri.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

June 11, 2003 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Randall Gordon, CPA
In-Charge Auditor:	Daniel Vandersteen, CPA

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

CITY OF HOMESTOWN, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Sewer System Concerns
-----------	------------------------------

In February 1990, the city issued \$22,500 in revenue bonds payable over 35 years to help finance the construction of a municipal sewer system. In conjunction with the issuance of the bonds, the city made certain covenants in the related bond ordinance. As of September 2003, the principal remaining on these bonds totaled \$16,361. Our review of the Sewer Fund, the revenue bond covenants, and the city's compliance with those covenants disclosed the following concerns:

- A. The city has failed to deposit a monthly amount of \$100 to the Sewer Replacement Fund as required by the bond covenants. Such deposits should have begun in 1990 upon issuance of the revenue bonds. However, the Sewer Replacement Fund had a balance of only \$469 at December 31, 2002.

The city's User Fund Ordinance also indicates deposits to the Sewer Replacement Fund shall be made in the amount of \$1,200 annually. This ordinance also estimated that the Sewer Replacement Fund after twelve years should have a balance of \$6,874, including the \$1,200 annual deposit, interest earned on monies deposited, and estimated expenses on the pumps and motors. Based on the city ordinance, the city has underfunded the Sewer Replacement Fund by \$6,405.

If the city continues to improperly fund the Sewer Replacement Fund, the city could face a critical financial shortage if the sewer system needed major repairs or replacement. In addition, the failure of the city to comply with the revenue bond covenants could allow the bondholders to take legal action to force compliance or immediate payment of all outstanding bonds.

- B. The monthly sewer rates charged to customers appears inadequate to pay the costs of operation and maintenance of the sewer system. At December 31, 2002, the Sewer Fund had a negative \$2 balance and as noted in part A, the Sewer Replacement Fund is inadequately funded. However, as noted in MAR 3E, there were some expenses charged to the Sewer Fund that may not have been appropriate.

A city ordinance establishes billing and collection procedures for the sewer system. This ordinance requires the city to annually review the rates for sewer service and revise the rates, if necessary, to generate adequate revenues to pay the costs of operation and maintenance of the sewer system. However, the city could provide no evidence of an annual review of the financial activity of the sewer system in regards to adequacy of the billing rates. The current sewer rates are

monthly charges of \$20 for residential customers and \$40 for commercial customers.

Sewer rate charges should cover the costs of providing the related service and maintaining the system, but the rates should not be set at a level which results in excessive fund balances. The city should perform a detailed annual review of its sewer costs, including depreciation, and establish rates to cover the total costs of operations.

These conditions were noted in our prior report, and the city indicated the board agreed with these issues, however no action was taken to implement the prior recommendations.

WE RECOMMEND the Board of Aldermen:

- A. Ensure the Sewer Replacement Fund is funded in accordance with the bond covenants.
- B. Annually review the sewer rate to ensure sufficient revenues are generated to adequately maintain the sewer system as required by city ordinance.

AUDITEE'S RESPONSE

- A. *We are now putting \$100 a month into the Sewer Replacement Fund.*
- B. *We will conduct annual reviews of the adequacy of the sewer rate.*

2. Budgets and Financial Reporting

- A. The city does not prepare and adopt annual budgets. Section 67.010, RSMo 2000, requires the preparation of an annual budget which presents a complete financial plan for the ensuing year.

A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific cost and revenue expectations for each area of city operations. A budget can also provide a means to effectively monitor actual costs by periodically comparing budgeted amounts to actual expenditures. A complete budget should include separate revenue and expenditure estimations by fund, and include the beginning available resources and reasonable estimates of ending available resources. The budget should also include a budget message and comparisons of actual or estimated revenues and expenditures for the two preceding years.

- B. The city did not publish semi-annual financial statements as required by state law. Section 79.160, RSMo 2000, requires the Board of Aldermen to prepare and publish, semi-annual financial statements. These financial statements are to

include a statement of receipts and expenditures and indebtedness of the city for the preceding six-month period. In addition, Section 79.165, RSMo 2000, states the city cannot legally disburse funds until the financial statement is published.

- C. The city has not submitted annual financial reports or audited financial statements to the State Auditor's Office, as required by state law, since the year ended December 31, 1993. Section 105.145, RSMo 2000, requires political subdivisions to file an annual report of the financial transactions of the political subdivision with the State Auditor's Office.
- D. During the year ended December 31, 2002, the city deposited \$7,203 of state motor vehicle-related receipts into the General Fund but has not kept records regarding street-related expenditures. Article IV, Section 30, of the Missouri Constitution, requires that motor vehicle-related receipts apportioned by the State of Missouri be used for street-related purposes, including policing, signing, lighting, and cleaning of roads and streets.

The city has not established a separate accounting for these receipts and related disbursements. As a result of this situation, some of the \$7,203 legally restricted for street purposes may have been used for general city operations during the year ended December 31, 2002.

To ensure compliance with the Missouri Constitution, the city should maintain a separate fund or separate accounting of motor vehicle-related receipts and ensure these receipts are used only for the purposes allowed by the constitution. The unspent balance of street revenues should be accounted for separately along with future receipts.

These conditions were noted in our prior report, and the city indicated the board agreed with these issues, however no action was taken to implement the prior recommendations.

WE RECOMMEND the Board of Aldermen:

- A. Prepare annual budgets in accordance with state law and make periodic comparisons between budgeted and actual revenues and expenditures.
- B. Publish semi-annual financial statements as required by state law.
- C. Submit annual financial reports to the State Auditor's Office as required by state law.
- D. Establish a separate fund or separate accounting of state motor vehicle-related monies to ensure compliance with the Missouri Constitution.

AUDITEE'S RESPONSE

- A. *We plan to prepare a 2004 budget and periodically compare budgeted and actual revenue and expenditures.*
- B. *We will try to do this as funds allow.*
- C. *We will submit the reports to the State Auditor's Office.*
- D. *We will establish a separate accounting for street monies.*

3. Accounting Controls and Procedures
--

A. Our review of the controls over receipts noted the following concerns:

- 1. Prenumbered receipt slips are not issued for some monies received by the city. Receipt slips are not issued for any Cemetery Fund receipts or for the franchise taxes and various state taxes (sales, gas, motor vehicle) received by the General Fund.

To adequately account for all receipts, prenumbered receipt slips should be issued in numerical order for all receipts and the numerical sequence should be accounted for properly.

- 2. Receipts are not deposited intact, nor on a timely basis. Deposits occurred approximately weekly. According to city officials, varying amounts of cash are withheld from deposits and used as a change fund. Due to the significant amount of cash receipts and to adequately account for all receipts and reduce the risk of loss or misuse, receipts should be deposited intact daily or upon accumulation of \$100. If a change fund is needed, it should be set at a constant amount.

- 3. The Board of Aldermen has not established procedures for the review of the work and records of the City Clerk. As a result, errors have occurred and remained undetected. During 2002, the City Clerk made errors when separating the amount of trash collections from sewer collections resulting in approximately \$800 being erroneously deposited to the General Fund. City residents pay a \$7 monthly fee for trash services, due to the General Fund, along with their monthly sewer bill. Monies collected by the city for trash and sewer services were not always properly allocated and appropriately deposited between the General and Sewer Funds.

The Board of Aldermen should perform periodic reviews of the records to ensure monies were deposited properly and that records are accurate. In addition, trash and sewer collections should be properly allocated among

the General and Sewer Funds to ensure sufficient funds are available to support the respective operations.

4. Receipt slips were not always properly voided and/or retained. We noted instances where the original copy of the receipt slip was retained, but was not properly voided and other instances where the original copy of the voided receipt slip was not retained. To ensure all receipts are properly accounted for, all copies of voided receipt slips should be properly defaced and maintained.

- B. The City Clerk does not adequately record all transactions on city accounting records or reconcile the accounting records to bank records. Receipts are reflected on city fund ledgers when deposited, instead of when received. Disbursements are reflected on monthly reports when checks clear the bank, instead of when paid. The cash balances reflected on the monthly reports are not accurate due to the timing of the recording of receipt and disbursement transactions. Thus the city did not know its actual cash balance, resulting in bad checks being written and bank overdraft charges of \$90 being incurred during the year ended December 31, 2002. In addition, not all receipts and disbursements are classified on the city fund ledgers and monthly reports. As a result, we prepared the city's financial summary using the city's records and bank statements.

All transactions should be properly recorded on city accounting records and account balances should be maintained and reconciled to bank balances to ensure records are in balance and errors are detected and corrected in a timely manner. In addition, summaries showing receipt sources and disbursement classifications should be prepared for each fund on a monthly basis and should be used for comparison to budgeted amounts and overall review of city operations. Complete, organized, and timely accounting records are necessary to provide accurate and timely financial information to city officials upon which effective management decisions may be made.

- C. Vendor invoices or other supporting documentation were not retained for some expenditures. For example, payments for grass mowing totaling \$1,570 and sewerage treatments totaling \$3,550 were not supported by vendor invoices or other supporting documentation. In addition, invoices and other supporting documentation are not properly cancelled upon payment.

All expenditures should be supported by paid receipts or vendor invoices to ensure the obligation was actually incurred and the expenditures represent appropriate uses of public funds. In addition, to ensure against duplicate payment of bills, all invoices and other supporting documentation should be properly marked paid when a check has been issued by the city.

- D. The city made payments totaling \$1,425 for the year ended December 31, 2002 to the police officer which appears to be taxable compensation but were not reported on his W-2 form. City officials indicated the payments were for mileage costs incurred by the police officer; however, there was no documentation to support these payments. IRS regulations require travel and expense reimbursements be reported on the recipients' W-2 forms unless the recipients were required to report the related expenses to their employer.
- E. Documentation is inadequate to support the method of allocation of the City Clerk's wage expenses to the city's funds. In addition, the employer's share of payroll taxes are paid from the General Fund.
1. The City Clerk is paid weekly from either the General, Sewer, or Cemetery Fund; however, the time sheet prepared does not identify the number of hours worked by the City Clerk related to the specific fund(s). The City Clerk indicated she is paid from a designated fund based upon a particular fund's ability to pay, instead of actual time spent conducting business for a particular fund. The proper allocation of expense is necessary to ensure costs are paid from the fund(s) that receive the benefit.
 2. Although the City Clerk's payroll checks are paid from different funds, the employer's share of payroll taxes are paid from the General Fund. As a result, there is no clear picture of the actual operating costs of these funds.

The funds of the city are established as separate accounting entities to account for specific activities of the city. Reflecting expenses in the proper fund is necessary to accurately determine the results of operations and/or specific activities; thus, enabling the city to establish the level of taxation and/or user charges necessary to meet operating costs.

Similar conditions for A1, A2, C, and D were noted in our prior report, and the city indicated the board agreed with these issues, however no action was taken to implement the prior recommendations.

WE RECOMMEND the Board of Aldermen:

- A.1. Require prenumbered receipt slips to be issued for all monies received, and ensure the numerical sequence of receipt slips is accounted for properly.
2. Ensure all receipts are deposited intact daily or upon accumulation of \$100. If a change fund is needed, it should be set at a constant amount.
3. Establish procedures for the review of the work and records of the City Clerk.
4. Ensure all copies of voided receipt slips are properly defaced and maintained.

- B. Ensure that a complete financial accounting system is maintained including summaries documenting monthly receipt sources and disbursement classifications. This information should be used to compare to budget estimates and monitor city operations. In addition, the Board should ensure officials properly record all transactions and reconcile account balances to bank balances for all city accounts on a monthly basis.
- C. Require adequate supporting documentation for all expenditures and ensure that such documentation is marked paid upon payment by the city.
- D. Require the police officer to report actual vehicle expenses incurred while conducting city business. If not required, the city should report as taxable compensation on W-2 forms the monthly allowance paid. In addition, prior years' W-2 forms should be amended as applicable.
- E. Develop and implement a reasonable method for allocating payroll and fringe benefits between the city's funds. In addition, payroll taxes should be paid from the applicable fund(s).

AUDITEE'S RESPONSE

A.1. *This will be done.*

2. *We are doing a better job of making timely deposits. However, due to the financial condition of the city and the fact we have to pay the City Clerk mileage to go to the bank and make deposits, we will continue to deposit as frequently as is practical and economical. In addition, we will maintain the change fund at a constant rate once the city's financial condition improves.*

3. *This will be done.*

4. *This is currently being done.*

B. *These recommendations have been implemented.*

C. *These recommendations are currently being done.*

D. *We currently do not have a police officer. If, in the future we get a police officer, we will implement this recommendation.*

E. *We plan to pay the City Clerk's salary from the General Fund until the Sewer Fund reaches a better financial position. At that time, we will determine the appropriate amounts of the City Clerk's salary to pay from the Sewer Fund. In addition, we will pay the payroll taxes from the proper fund.*

4.**Property Tax Procedures**

- A. The Board of Aldermen has not held public hearings on the city's proposed property tax rates. Section 67.110, RSMo 2000, requires each governing body to hold at least one public hearing prior to approval of the proposed tax rates at which citizens may be heard. This section also provides guidance on what information is to be included at the public hearing.
- B. The city could improve its procedures for the collection of delinquent property taxes.
 - 1. The city charges no penalty on delinquent taxes. Section 140.100.1, RSMo 2000, currently allows a penalty of two percent per month up to a maximum of 18 percent per year for each delinquent tax bill.
 - 2. The city does not adequately pursue collection of delinquent property taxes. The city has delinquent tax bills of approximately \$277 for 2001 as of May 2003. As of that time, the city had collected approximately 66 percent of the total amount of taxes levied for 2001. For tax year 2002, current taxes collected amounted to approximately 59 percent of the total amount levied with an estimated \$362 in delinquent taxes.

To help ensure prompt collection of property taxes, the city should establish formal procedures regarding the collection of delinquent property tax bills. Consideration should be given on sending delinquent tax notices or turning delinquent tax bills over to the County Collector for advertisement and sale of the real estate as provided under Chapter 140, RSMo 2000.

These conditions were noted in our prior report, and the city indicated the board agreed with these issues, however no action was taken to implement the prior recommendations.

WE RECOMMEND the Board of Aldermen:

- A. Hold a public hearing on proposed property tax rates as required by state law.
- B.1. Ensure the penalty for the collection of delinquent property taxes is charged in accordance with state law.
- 2. Ensure formal collection procedures related to delinquent property tax bills are established and that delinquent accounts are pursued on a timely basis.

AUDITEE'S RESPONSE

- A. *This will be done.*

B.1. *We will consider implementing this recommendation.*

2. *We will review our delinquencies and develop procedures for their collection on a timely basis.*

5. City Trash Service

The city may be overcharging its residents for trash services. The city charges its residents a monthly user fee of \$7 for trash service which is deposited into the General Fund. This fee has not been established by ordinance. Disbursements are made monthly from the General Fund for trash pick-up and hauling services. During the year ended December 31, 2002, the city collected over \$4,500 in trash fees and paid \$3,546 for trash services. The city has not identified any other costs, such as administrative costs, related to trash service.

User fee charges should be set at a level to cover the cost of providing a particular service and should not be used to pay for general operating expenses of the city. The administrative costs of providing this service should be calculated and documented and a separate accounting of trash revenues and expenses should be maintained.

This condition was noted in our prior report, and the city indicated the board agreed with this issue, however no action was taken to implement the prior recommendation.

WE RECOMMEND the Board of Aldermen identify all costs, including administrative costs, of providing trash service, and set the user fee by ordinance to cover the cost of the service without being excessive. In addition, the board should maintain a separate accounting of all trash revenues and expenses.

AUDITEE'S RESPONSE

We will annually review the costs of our trash service and ensure the fees are set appropriately. We will also establish and maintain a separate accounting of trash operations.

6. Meeting Minutes and Ordinances
--

- A. Improvement is needed in the organization of the city's ordinances. Many of the city's ordinances are old and outdated and some could not be accounted for or located. For example, although duties and procedures for the Mayor and Board of Aldermen are described in the ordinances and the table of contents lists chapter 21 for compensation, the chapter was missing and could not be provided by the city. In addition, the city could not provide ordinances describing the duties of other appointed officials and employees including the City Clerk, police officer, maintenance worker, and trash hauler. A review of the city's existing ordinance

book and files indicated numerous gaps between ordinance numbers. The city was unable to determine if the unaccounted for ordinances had been replaced, repealed, or misplaced. City officials indicated that they were aware the ordinances were incomplete and some ordinance documentation had not been maintained.

Since ordinances represent legislation which has been passed by the Board of Aldermen to govern the city and its residents, it is important they be maintained in a complete, well-organized, and up-to-date manner to give the taxpayers information on how the city is to be governed.

- B. Board minutes are prepared by the City Clerk; however they are not signed by the City Clerk, or the Mayor, or a member of the Board of Aldermen. The board minutes should be signed by the City Clerk and the Mayor or a board member upon approval to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken during the board's meetings.
- C. Improvement is needed in the way closed meetings are held and documented:
 - 1. Minutes were not always prepared and retained to document the matters discussed in closed meetings. Although minutes for closed meetings are not specifically required by law, minutes constitute the record of proceedings of the Board of Aldermen.

Formal written minutes for closed meetings result in a better record of city transactions, proceedings, and decisions. In addition, minutes help the city demonstrate that closed discussions or business relate to the specific reason announced for closing the meeting pursuant to the Sunshine Law, Chapter 610, RSMo 2000.
 - 2. Open meeting minutes did not always document all items required by the Sunshine Law including the related vote to close the meeting, the specific reasons for closing the meeting, and actions taken by the board in closed meetings.

Section 610.022, RSMo 2000, requires that before any meeting may be closed, it shall be voted on at open session. In addition, this law provides that public governmental bodies shall not discuss any other business during the meeting that differs from the specific reasons used to justify such meeting, record, or vote. Section 610.021, RSMo 2000, requires certain matters discussed in closed meetings be made public upon final disposition.
- D. The city does not have a formal policy regarding public access to city records. A formal policy would establish guidelines for the city to make the records available

to the public. This policy should establish a person to contact, provide an address to mail such requests, and establish a cost for providing copies of public records.

Section 610.023, RSMo 2000, lists requirements for making city records available to the public. Section 610.026, RSMo 2000, allows the city to charge fees for copying public records, not to exceed the city's actual cost of document search and duplication.

Similar conditions for A, B, and D were noted in our prior report, and the city indicated the board agreed with these issues, however no action was taken to implement the prior recommendations.

WE RECOMMEND the Board of Aldermen:

- A. Update the city's ordinances and ensure a complete set of ordinances is maintained.
- B. Ensure board minutes are properly signed to attest to their accuracy.
- C.1. Ensure minutes are prepared and retained for closed meetings.
- 2. Ensure minutes document the vote to go into closed session, state the reasons for going into closed session, and publicly disclose the final disposition of applicable matters discussed in closed session.
- D. Develop written policies regarding procedures to obtain public access to, or copies of, public city records.

AUDITEE'S RESPONSE

- A. *We will work on updating our ordinances.*
- B. *This will be done.*
- C.1. *We will prepare and retain closed meeting minutes.*
- 2. *This will be done.*
- D. *We will develop these policies.*

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

CITY OF HOMESTOWN, MISSOURI
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The city of Homestown is located in Pemiscot County. The city was incorporated in 1946 as a fourth-class city. The population of the city in 2000 was 181.

The city government consists of a mayor and four-member board of aldermen. The members are elected for two-year terms. The mayor is elected for a four-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor, Board of Aldermen, and other principal officials at December 31, 2002, were:

<u>Elected Officials</u>	<u>Term Expires</u>	<u>Compensation Paid for the Year Ended December 31, 2002</u>
Reginald Grant, Mayor (1)	April, 2003	\$ 900
Eddie Williams, Alderman	April, 2004	
Bobby D. Bays, Alderman (2)	April, 2003	
Vacant, Alderman (3)		
Vacant, Alderman (4)		
<u>Other Principal Officials</u>		
Brenda Myles, City Clerk (5)		7,312
Jackie Barnes, Municipal Judge (6)		1,200
Lawrence Dorroh, City Attorney		250

- (1) Replaced in April 2003 with the election of Mary L. Scott.
- (2) Reappointed in April 2003 with term expiring April 2005.
- (3) Vacancy filled with the April 2003 appointment of William Edmond with term expiring April 2005.
- (4) Remains vacant as of June 2003.
- (5) Replaced in June 2003 with the appointment of Susan Pittman.
- (6) Position vacant as of June 2003.

On December 31, 2002, the city employed five part-time employees.

Assessed valuations and tax rates for 2002 were as follows:

ASSESSED VALUATION

Real estate	\$	147,040
Personal property		<u>28,270</u>
Total	\$	<u>175,310</u>

City taxes are not levied on personal property.

TAX RATES PER \$100 ASSESSED VALUATION

		<u>Rate</u>
General	\$.60

The city has the following sales tax; the rate is per \$1 of retail sales:

		<u>Rate</u>	<u>Expiration Date</u>
General	\$	0.01	none

A summary of the city's financial activity for the year ended December 31, 2002:

	General Fund	Sewer Fund	Cemetery Fund	Sewer Bond Reserve Fund	Sewer Replacement Fund	Total
RECEIPTS:						
Motor fuel and motor vehicle fees \$	7,203	0	0	0	0	7,203
Sales taxes	1,527	0	0	0	0	1,527
Property taxes	520	0	0	0	0	520
Trash fees	4,543	0	0	0	0	4,543
Fines and court costs	269	0	0	0	0	269
Franchise taxes	2,789	0	0	0	0	2,789
Permits and city stickers	280	0	0	0	0	280
Burial fees	250	0	1,150	0	0	1,400
Sewer fees	0	13,084	0	0	0	13,084
Interest	0	0	0	27	7	34
Transfer in	433	768	0	0	0	1,201
Other	827	0	400	0	0	1,227
Total Receipts	18,641	13,852	1,550	27	7	34,077
DISBURSEMENTS:						
Salaries and fringe benefits	5,627	5,407	404	0	0	11,438
Utilities	3,379	644	0	0	0	4,023
Mileage and fuel	1,673	524	0	0	0	2,197
Trash hauling fees	3,546	0	0	0	0	3,546
Grass mowing	1,570	0	455	0	0	2,025
Grave work	0	0	300	0	0	300
Scholarships	500	0	0	0	0	500
Community cleanup	769	0	0	0	0	769
Postage	262	0	0	0	0	262
Repairs	0	1,600	0	0	0	1,600
Office supplies	214	0	0	0	0	214
Bond payment	0	1,416	0	0	0	1,416
Sewage treatment	0	3,550	0	0	0	3,550
Transfer out	698	233	270	0	0	1,201
Other	705	620	56	538	0	1,919
Total Disbursements	18,943	13,994	1,485	538	0	34,960
Receipts Over (Under) Disbursements	(302)	(142)	65	(511)	7	(883)
Cash, January 1,	477	140	112	2,298	462	3,489
Cash, December 31, \$	175	(2)	177	1,787	469	2,606